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Joint Board Panel on Schools and Libraries

Remarks of Laura Wilson

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Good morning, thank you for the opportunity to address you today on the issues of advanced services for schools and libraries. My name is Laura Wilson and I am the Vice President, Regulatory Affairs and Regulatory Counsel for the Florida Cable Telecommunications Association, or FCTA. Let me just say at the outset that the National Cable Television Association and individual cable companies are participating in this process as well, and will be speaking for themselves on these issues. I am here this morning representing the FCTA, to tell you about a plan for ensuring quality affordable services recently adopted by the Florida Legislature.

The Florida cable telecommunications industry has supported the provision of advanced communications services to schools and classrooms for some time by working with educators to provide free or reduced cost communications services.

A majority of Florida classrooms are currently connected and receiving basic and/or enhanced cable communications services today. I emphasize classrooms rather than schools because the connection of classrooms has been at the core of the concerns raised here today. It is the local cable telecommunications company that has the broadband delivery system capable of meeting the speed requirements of various distance learning applications. Cable telecommunications companies nationwide have backbone and broadband distribution plant passing over 95% of homes. To prepare for local exchange competition, the cable telecommunications industry is rapidly upgrading local systems to include digital phone switches, data hubs and routers, and multiplexers to be full service communications providers.

FCTA believes that there is no better way to meet the needs of the nation's schools, classrooms, libraries and health care providers for access to telecommunications services than to provide marketplace stimuli. The Commission should implement universal service mechanisms that encourage vigorous competition to eligible facilities. A "bid-type" process has been adopted by the Florida Legislature to meet the needs of a similar set of eligible facilities on the state level and to promote widespread access to advanced telecommunications services.

FCTA recommends a coordinated federal-state approach to implement a plan for qualified schools, classrooms, libraries and rural health care providers that contains, at minimum, the following components: (1) a determination of eligible facilities; (2) a needs assessment for the eligible facilities; (3) a technology-neutral applications plan; (4) a competitive bid process for needed services and applications; and (5) a safety net provision where no competitive bids are received for an eligible facility. This is consistent with the plan adopted by the Florida Legislature.

Under this proposal there is, first, a determination of what entities are eligible for support. The FCTA concurs with the determination articulated in the NPRM as to the definition of eligible schools, libraries and rural health care providers according to the 1996 Act. Having identified the eligible facilities, a comprehensive assessment should be conducted, in cooperation with the states, for each eligible facility. Pursuant to Florida law, for example, the needs assessment is conducted by the Florida Distance Learning Network ("FDLN") Board of Directors. The assessment is a joint effort of the public and private sectors. The FDLN Board comprises members from the State's legislative, educational, and

health care communities in addition to the State Librarian and members of the cable and telecommunications industries. The statewide needs assessment process is currently underway in Florida. It coordinates the use of existing State resources and technology currently in place while also identifying what specific additional service applications are required. An extremely preliminary needs assessment has been made. The report includes an evaluation of the interoperability of various technologies that are needed for the delivery of a wide range of telecommunications services (from 'core' services to high speed interactive video applications).

Next, upon refinement of the needs assessment, a technology plan should be developed and updated periodically. In Florida, the technology plan will consist of a matrix containing a list of desired service applications, corresponding bandwidth requirements needed to provide the applications, the estimated costs of the applications, and a listing of 3-4 options that an eligible facility could pursue to receive the needed service application. The listing of various options ensures access to desired services in a technology-neutral manner. No one particular technology, such as costly ISDN technology that may soon be obsolete, is favored to the detriment of the public interest. Options may periodically be updated. This

allows for migration to new technologies as they evolve and the establishment of network standards for interoperability of networks.

The next major step is a competitive bid process. In Florida, bidding commences on July 1, 1997. Thereafter, eligible facilities have an eighteen (18) month window to submit requests for bids. Technology-needs requests are reviewed by the Florida Department of Management Services (DMS) for consistency with the standards of the FDLN Board technology plan. Then the requests are let out to bid. Any entity may respond. If infrastructure must be built up to an eligible facility, it must be provided at no cost for up to \$20,000 per eligible facility. In those instances where a competitive bid is not received, the FPSC-designated carrier of last resort for the geographic area provides access to the required services at prices below commercially available rates for comparable services and less than the statewide average rates of such services.

FCTA believes that the Florida plan has numerous benefits that should be considered by the Joint Board.

The Joint Board must recommend to the Commission a method to define 'bona fide' requests. The process I have described encourages the full participation of eligible institutions in the needs assessment process from the outset. Moreover, a comprehensive needs assessment enables the Commission to familiarize itself with what applications are currently provided today, the costs, and what additional applications may be required. A bid-type process also assists in ensuring that eligible facilities make requests that are 'bona fide' in that the requests are checked for consistency with the technology plan.

The Joint Board must recommend to the Commission what services and functionalities should be supported. Beyond 'core' services, the needs assessment process assists in the present and ongoing determination of what additional or advanced services are required. FCTA urges the Commission not to define or mandate any particular service applications beyond "core' services, at this time, before a needs assessment. The Commission should get a better picture of infrastructure needs first. Moreover, the Commission should focus on ensuring "access to' services and refrain from mandating which particular technology should be deployed to deliver such access - that is, adopt a result- oriented approach. For example, if access to the Internet is the goal, the Commission should not mandate

ISDN or ATM technology but should, instead, investigate and identify all options capable of delivering Internet access. This ensures that technological innovation is not stifled and that the Commission is not mandating a costly technology that may well be obsolete technology in the near future. This process also allows for consideration of the capabilities of wireless and other technologies as referenced in the NPRM.

The Joint Board must recommend to the Commission a method to establish of the interstate discount for schools and libraries. Consistent with the objectives of Florida law, FCTA recommends a competitive bidding process to ensure the lowest possible rate. Each provider serving a particular area should be permitted to bid to provide access to the specific package of service applications identified by the Commission and/or required by the purchasing entity. Bid specifications would initially require some form of discount off the prevailing tariffed business rate at the high end. The lowest qualified bidder would provide the services.

Finally, in the absence of a bidder, the states will most likely be in the best position to determine the level at which service applications should be discounted

and what eligible universal service provider(s) in a geographic area should provide what an eligible facility needs.

In conclusion, FCTA recommends that in evaluating the efficacy of any universal service support mechanisms, the Commission should approach the issue from the "end user's perspective" - as a means of preserving and advancing universal service, rather than as a means of protecting ILECs from competition. FCTA urges a cautious approach in which the need for subsidy support is determined and quantified based on reliable and verifiable data. Only then can the Commission be sure it is not constructing unnecessary barriers to competition. This will also provide assurance that any telecommunications provider's contribution is equitable and non-discriminatory.

Beyond 'core' services, FCTA supports the provision of access to additional or advanced services that meet the specific needs of eligible schools, classrooms and rural health care providers. The competitive marketplace can and should be relied upon to the greatest possible extent before imposing competitive mandates in this area. A bid process is one method of accomplishing this, harnessing the

benefits of competition to meet legitimate universal service goals. Most importantly, the Commission should not mandate a particular technology to meet the defined needs of eligible facilities. Instead a results-oriented approach should be taken to encourage technological innovation and prevent deployment of costly, soon outdated technology. FCTA submits that these recommendations will achieve balance by ensuring fairness to all providers while protecting consumers during the transition to competition. Thank You.